

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2011

Docket No. N2012-1

**NOTICE OF THE UNITED STATES POSTAL SERVICE  
OF ERRATA TO REPLY BRIEF  
[ERRATA]**

The Postal Service hereby gives notice of errata to its Reply Brief filed on July 20, 2012. The first change appears on page 19, where the word “weight” is revised to “weigh.” The second change modifies the wording of a point heading on page 63 and in the Table of Contents on page iii. The revised pages are attached to this notice, with the corrections shown in gray highlighted text. The Postal Service regrets any inconvenience and submits that this filing should not prejudice any party in this proceeding.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony Alverno,  
Chief Counsel, Global Business & Service  
Development

Adriene M. Davis

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1137  
(202) 268-6036; Fax -5329  
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E.	The Postal Service Properly Determined Employee Relocation Costs. ....	51
V.	OPPOSITION TO RELIANCE UPON THE PHASE 2 QUANTITATIVE MARKET RESEARCH ESTIMATES OF THE IMPACT ON MAIL VOLUME CAUSED BY MPNR IS BASED ON WISHFUL THINKING, NOT SCIENCE.....	52
A.	The Only Valid Estimation Of Impact Upon Mail Volume Of Changes In Service Standards Derives From The Phase 2 Research. ....	52
B.	Confidence Intervals, Properly Utilized, Can Provide Useful Information About Survey Research Estimates.....	61
C.	The Public Representative Conflates Risk Sources, Thereby Wandering Far Afield. ....	63
D.	The Quantitative Market Research Results Stand Un-rebutted As The Only Accurate Estimate Of Change In Mail Volume, Revenue And Contribution Caused By MPNR. ....	64
E.	Supplement.....	67
VI.	OTHER INTERVENOR CRITICISMS ARE UNPERSUASIVE AND LACK EVIDENTIARY SUPPORT.....	68
A.	National Newspaper Association’s Concerns Are Speculative And Unsubstantiated. ....	68
1.	NNA underestimates the Postal Service’s willingness to consider the Commission’s advice and the concerns of stakeholders and rural residents. ....	68
2.	NNA’s concerns regarding the impacts of Network Rationalization lack evidentiary support or are tangential to the core issues in this proceeding. ....	70
B.	Mr. Popkin’s Initial Comments Should Be Rejected Or Dismissed. ....	72
VII.	CONCLUSION.....	74

To be clear, the Postal Service agrees that if it were it to develop a network modeling tool that incorporated considerably more network facility and operating data than were utilized by witness Rosenberg, it might seek to employ that hypothetical tool to engage in an optimization exercise, if that were its goal. Or, as it relates to the task at hand, the Postal Service might have relied on such a tool in a manner that permitted it to minimize its reliance on iterative rounds of management expert analysis that were undertaken to refine the consolidated network concept suggested by its LogicNet model before subjecting it to the AMP review process. Or, given unlimited time and resources, the Postal Service might have developed and relied on a much more robust network modeling tool that incorporated the granular facility-specific mail processing, equipment, transportation, and customer impact data that are examined as a part of the AMP process. Under such circumstances perhaps, the facility consolidation decisions of the Network Operations Vice President could be reduced to a simple review and approval of model outputs. However, the various statutory service obligations that the Postal Service must weigh in the balance when considering substantially nationwide service changes and the customer input reviewed during the service standard rulemaking and under the USPS Handbook PO-408 Area Mail Processing guidelines all combine to make such a myopic reliance on model-generated optimality outputs problematic.

**2. The tremendous value of judgment obtained through actual day-to-day management must be acknowledged.**

A typical criticism at page 28 of the GCA Initial Brief points to Public Representative witness Raghavan's skepticism about the outputs produced by

intervals for such clustered responses are the same as those produced under the assumption of normal distributions, except that they are bounded by, for example, zero. In accordance with standard market research industry practice, she did not bound her reported confidence intervals when first provided. However, any party interested in doing so can apply those bounds it believes are best applied. See Tr. Vol. 12 at 4402-05, 4476. No parties took advantage of the opportunity to do so in their initial briefs or otherwise. But claims that confidence intervals are misreported are themselves erroneous.

**C. The Public Representative Conflates Risk Sources, Thereby Wandering Far Afield.**

At pages 23-24 of its Initial Brief, the Public Representative (PR) makes a speculative argument about sources of risk that treats risk as if it all exists in a single domain. First, the PR mentions risk for the Postal Service inherent in the market research, which witness Elmore-Yalch confirms is a risk of underestimating the negative financial consequences of MPNR. But then the Public Representative ties such risk to the quite distinct risk that the market research industry corrects for using such techniques as the Juster Scale. Since survey respondents over-project their quantitative estimates of future behavior, established market research industry practice is to correct for such risk with the purpose of arriving at accurate estimates of future behavior. The Public Representative treats these as if the two forms of risk partake of the same scale. Yes, they both exist, and they run, in some sense, in opposite direction. But in no sense are the two offsetting; market research conducted without correcting for survey respondent over-projection would not be consistent with industry